

EXHIBIT B

CAUSE NO. 24-17982

IN RE:

CREATE HEALTHY MANAGEMENT

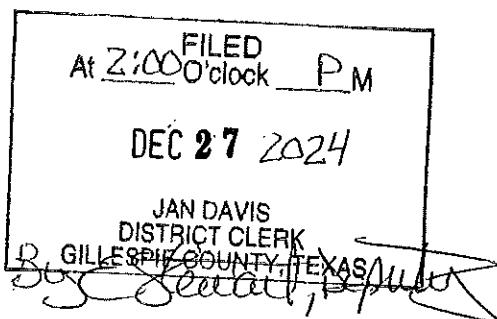
IN THE 216 DISTRICT COURT OF

§

GILLESPIE COUNTY, TEXAS

FROM: Ray Geistweidt, Past President of Hill Country Memorial Hospital
Original Member of Hill Country Memorial Foundation
Executor of Hannelore Schwindt Estate in which \$6.25 million was placed in Hill
Country Hospital Foundation as an endowment with income to be used only for
improvements to Hill Country Memorial Hospital.
Counselor, Advisor, and Tax Preparer for Hannelore Schwindt and her husband (he
predeceased her).

I hereby pray and petition the court to return the Hannelore Schwindt Endowment Fund (Schwindt Fund) to the Hannelore Schwindt Estate to be distributed among the remaining residuary heirs since the purpose of the Schwindt Fund gift has evaporated with the sale of the hospital facility.



Parties

I am a member of a concerned group of citizens that use our theme, Medical Guardians.

Factual Background

Hill Country Memorial Hospital was formed by concerned citizens to provide acute medical care to area residents. There are no stockholders. The governance was an internally elected board of "Trustees" whose duty was to insure operation of the hospital.

Hill Country Memorial Hospital Foundation was formed to provide a vehicle for collection of donations, endowments, charitable remainder annuities, and other sources of funds for Hill Country Memorial Hospital.

Ms. Jane Pope became the Hospital Administrator. The hospital prior to the sale was profitable.

I am enclosing the following:

- I. Exhibit A – A brief history and issues.
- II. Exhibit B – Excerpts from Create Healthy 2023 990.
 - a. Front page
 - b. Income statement by category
 - c. Statement of compensation of key employees.
 - d. Statement of key contributors.
- III. Exhibit C – Excerpts from HCA (50% owner and 100% operator of hospital in Fredericksburg) after the sale.
- IV. Exhibit D – Chart of Physicians etc. lost after sale and transfer of operations to HCA.
- V. Exhibit E – List of distributions to various organizations.
- VI. List of residuary beneficiaries of Hannelore Schwandt's will and amounts received.
Exhibit F.
- VII. Hannelore's request for use of the funds granted to Hill Country Memorial Hospital.
Exhibit G.

Who was Hannelore Schwindt, and what were her motives in her will.

Hannelore Schwindt's life and attributes.

- I. Childhood in Germany during and at end of World War II.
- II. Came to New York at age 18 to marry U.S. Citizen.
- III. Marriage did not last long and went to work for small company, International Business Machines (IBM).
- IV. Married Mr. Schwindt who was working as a mail clerk in a N.E. US casualty insurance company.
- V. He eventually became chairman of the board of the company, and they insured specialty products and companies all over the world.
- VI. They saved and invested wisely and retired to a summer home on a peninsula on the Atlantic Coast in upper Northeast US, and a winter home/ranch in Cherry Springs, Texas.
- VII. Mr. Schwindt died first leaving his ½ of the estate to Hannelore.
- VIII. Mrs. Schwindt was an avid reader and researcher into:
 - a. World cultures
 - b. Christianity
 - c. U.S. Constitution/Amendments/Freedom
 - d. Healthcare
 - e. Education

IX. Mrs. Schwindt required serious acute health care several times in her later years and was disappointed and aware that Hill Country Memorial Hospital needed new technology and equipment.

X. I counseled with her on her Estate plan and her conclusion was the following.

- a. \$2,000,000 (Estate Exclusion) cash to her relatives in Germany.
- b. After expenses, the remaining assets were $\frac{1}{4}$ each to the following Non-Profit.
 1. Hillsdale College – Nongovernment supported school that concentrated on the constitution, Christianity, and excellent educational accreditation.
 2. Rockford Institute – An institution that researched and published papers on world cultures, trends, and events in relation to the Great U.S. Experiment and success with our Freedom and Governance.
 3. Our local Community College – At that time, the local independent community college was scrambling for funds to build a campus so that kids could stay home, work, and afford college. Her goal was to provide that opportunity which her \$6.25 million bequest provided the bulk of that building construction.
 4. Hill Country Memorial Hospital Foundation – As you can tell in her will, it was very specific that her \$6.25 million gift to into a strict endowment whose income was to go to improvements for Hill Country Memorial Hospital ONLY, not football jerseys, fire departments, day care centers, soccer fields etc.

Conclusion

FACTS:

As you can tell from the hospital 990's prior to the sale, it was not losing money. HCA is thinly capitalized (little to no equity), has a history of huge profits by cutting unprofitable services even if necessary for a complete acute local hospital to serve the community, has a history of fraudulent billings and collections from the U.S. and local governments, suppressing information to the community, large price increases for services retained, and forcing existing physicians, rank and file hospital staff, other local hospital related personnel into pay cuts, and force providers and staffers to use older, cheaper drugs for treatment.

The cost to administer the "Create Healthy Management" organization (old hospital corporation renamed) is much higher and less professional than Hill Country Community Foundation or the trust department of a community bank both of which would strictly adherent to the wishes of the donor rather than the wishes of a constantly changing group of trustees who are good people but have their own biases, agendas, and have other "day jobs" which require their attention.

Request

I hereby request that you award the "Schwindt Fund" to the following residuary heirs.

- a. The Chronicles (successor to the Rockford Institute) which is continuing the purpose, goals, and agenda of the Rockford Institute.
- b. Hillsdale College if they participate in the fees and cost of this endeavor.

I do not recommend that the local college get any of these funds since they have already sold the buildings and abandoned the original intention of Mrs. Schwindt's bequest.

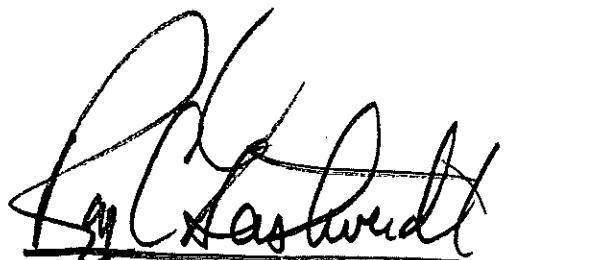
It is extremely disappointing to me and most of the locals that these two institutions abandoned the community's wishes, investment, donations, and work to satisfy fear of the future, fear of the work to survive, and fear of the ingenuity needed to succeed.

Therefore, please grant the foundation's Schwindt Fund to The Chronicles and Hillsdale College (if they join in) which are still serving their purpose and Mrs. Schwindt's wishes.

Addendum

For future reference, please consider that the source of acute medical costs for the working poor, the underinsured, and the non-insured poor which has in large part been provided by non-profit local hospitals will be coming out of over-burdened government funds rather than the "profits" of a local non-profit hospital.

Hill Country Memorial Hospital and the Community College converted their assets to deteriorating purchasing power money rather than honoring their forefathers' thoughts and investment in the future of our community, with local independent acute care facility and a locally controlled independent educational college.


Ray C Geistweid
12/27/24

755 S. Washington St.
FREDERICKSBURG, TX 78624
office@fcocpa.com
(325) 347-2655

EXHIBIT A

EXHIBIT A

A Brief History and Issues Associated with the Sale of Hill Country Memorial Hospital

The announcement of Hill Country Memorial Hospital's sale to Methodist/HCA Healthcare on November 14, 2022, sent shockwaves through Fredericksburg, a town known for its quaint charm and award-winning community hospital. Residents, including longtime practitioners like John Westfall and his wife, Marguerite, were bewildered by the decision with John and Marguerite having spent over two decades dedicated to the hospital's values of compassion and excellence. As concerns mounted, a grassroots group, Medical Guardians, formed to scrutinize the sales' motives and potential impact on the community. How could a community asset be sold without the input of the community?

The decision-making process behind the sale raised serious questions about transparency and community involvement. Despite being the largest employer in Gillespie County and providing significant charity care, profitably, the hospital's board opted for the sale without engaging key stakeholders or explaining the rationale adequately. City council members, like Sharon Joseph, voiced their concerns about the lack of information and the need for community representation in the decision-making process.

Efforts to seek clarification, such as a requested town hall meeting in February 2023, were met with resistance. However, the board eventually acquiesced, with the meeting being heavily controlled and leaving little room for genuine community input. As the community grappled with the impending sale and the establishment of a Health Conversion Foundation, parallels were drawn to similar transitions elsewhere, raising doubts about the process and leadership selection. The sale of HCMH represented a significant turning point for Fredericksburg's healthcare landscape, leaving residents with lingering uncertainties about the future of their cherished community hospital.

In response to the sale of Hill Country Memorial Hospital (HCMH) to Methodist/HCA healthcare, community members took action to seek transparency and accountability during this significant transition. Complaints were filed with the Texas Attorney General's (TXAG) Office of Charitable Trust, urging oversight and assistance. Efforts to keep the TXAG office informed about concerns persisted through diligent correspondence and discussions. As part of their efforts, the group sought critical documents such as the HCMH/Create Healthy Management (CHM) Bylaws, Conflict of Interest Policies, and the Asset Purchase Agreement (APA) through Public Information Act (PIA) requests.

Despite HCMH's profitable track record over the last decade and substantial COVID relief funds received, the decision to sell the community asset puzzled everyone. The comparison to the sale of Mission Hospital in North Carolina helped to shed light on the lack of transparency in Fredericksburg's sale process. In North Carolina, public engagement and APA disclosure were extensive, contrasting starkly with the secrecy surrounding HCMH's sale. Concerns persisted over the undisclosed terms of the APA and the board's failure to engage the community discussions.

During the transition period, questions arose about the new leadership and governance structure. Jayne Pope's (the person that orchestrated the sale of HCHM as its CEO) appointment as CEO of CHM, the legacy entity formed post-sale, raised questions about the board's authority and transparency. Requests for governing documents were met with delays and provided outdated information, leaving the community skeptical about the leadership's transparency and accountability. The revelation that the same individuals would oversee both the CHM and Create Healthy Foundation (CHF) boards further fueled concerns about accountability and conflicts of interest. Community members pressed for clarity and proper explanation, but transparency remained elusive, leaving many uncomfortable with the sale's implications and the subsequent governance structure.

The sale of Hill Country Memorial Hospital (HCMH) to Methodist/HCA healthcare raised concerns about the impact on the community and the quality of healthcare. Studies indicate that hospital mergers may not lead to cost savings or improved healthcare quality. Instead, prices tend to rise, potentially affecting accessibility and affordability. Furthermore, regulatory oversight is crucial to safeguard charitable assets and prevent violations such as fraud or mismanagement.

The appointment of directors from CHM to the CHF board, as outlined in CHF fka HCMH Foundation Bylaws, raised questions about accountability and potential conflicts of interest. The history of HCA healthcare, including a record \$1.7 billion fraud settlement in 2003, added to concerns about the sale.

Community members, including former HCMH CEO Michael R. Williams, expressed dissatisfaction with the lack of transparency surrounding the sale and its potential consequences for patients and employees. Williams highlighted the erosion of trust and values within the hospital leadership and called for open dialogue and transparency in shaping the future of healthcare in Fredericksburg and Gillespie County.

EXHIBIT B-a

Form **990**Department of the Treasury
Internal Revenue Service

PUBLIC DISCLOSURE COPY

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.**2023**Open to Public
Inspection

, 20

A For the 2023 calendar year, or tax year beginning

, 2023, and ending

B Check if applicable:

Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization **CREATE HEALTHY MANAGEMENT**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)
P.O. BOX 1339

Room/suite

D Employer identification number

74-6083124City or town, state or province, country, and ZIP or foreign postal code
FREDERICKSBURG, TX 78624

E Telephone number

(830) 997-1297F Name and address of principal officer: **JAYNE POPE**

P.O. BOX 1339, FREDERICKSBURG 78624

G Gross receipts \$ **204,701,382**H(b) Is this a group return for subordinates? Yes NoH(b) Are all subordinates included? Yes No

If "No," attach a list. See Instructions.

H(c) Group exemption number

I Tax-exempt status: 501(c)(3) 501(c)() (Insert no.) 4947(a)(1) cr 527J Website: **WWW.CREATEHEALTHY.ORG**L Year of formation: **1994**K Form of organization: Corporation Trust Association OtherM State of legal domicile: **TX****Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: CREATE HEALTHY IS ON A MISSION FOR HEALTH AND WELLNESS IN OUR COMMUNITY; INVESTING IN WELLNESS AND EMPOWERING COMMUNITIES. CH IS (CONTINUED ON SCHEDULE O)		
	2 Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	3	7
Revenue	3 Number of voting members of the governing body (Part VI, line 1a)	4	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	5	651
	5 Total number of individuals employed in calendar year 2023 (Part V, line 2a)	6	34
	6 Total number of volunteers (estimate if necessary)	7a	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7b	0
	b Net unrelated business taxable income from Form 990-T, Part I, line 11		
Expenses	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	7,817,603	161,104
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	95,161,503	21,940,433
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,617,172	41,719,560
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	(3,484,773)	4,608,875
		101,131,605	68,429,972
		63,105	2,468,600
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)	36,972,787	11,657,567
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
Net Assets or Fund Balances	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)	0	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	62,417,181	18,378,037
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	99,453,073	32,504,204
	19 Revenue less expenses. Subtract line 18 from line 12	1,678,532	35,925,768
		Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)		231,836,244	207,017,901
21 Total liabilities (Part X, line 26)		21,861,780	3,638,894
22 Net assets or fund balances. Subtract line 21 from line 20		210,074,464	203,379,007

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign
Here

Signature of officer

JAYNE POPE, CEO

Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name JEANETTE VERRELLI	Preparer's signature JEANETTE VERRELLI	Date 11/15/2024	Check <input type="checkbox"/> if self-employed	PTIN P00742631
	Firm's name FORVIS MAZARS, LLP		Firm's EIN 44-0160260		
	Firm's address 14221 DALLAS PARKWAY SUITE 400, DALLAS, TX 75254		Phone no. (972) 702-8262		

May the IRS discuss this return with the preparer shown above? See Instructions

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form 990 (2023)

EXHIBIT B-b

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Form 990 (2023)

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants, and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	161,104			
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f	1g	\$			
	h Total. Add lines 1a-1f		161,104			
Program Service Revenue	2a NET PATIENT HOSPITAL REVENUE		Business Code			
			621110	20,282,137	20,282,137	
	b HOME HEALTH CARE REVENUE		621610	722,960	722,960	
	c WELLNESS CENTER SERVICE REVENUE		624100	303,408	303,408	
	d WIC PROGRAM REVENUE		624100	64,660	64,660	
	e CLINIC RENT REVENUE		531120	211,930	211,930	
	f All other program service revenue . . .		624100	355,338	355,338	0
	g Total. Add lines 2a-2f			21,940,433		0
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			5,096,072		5,096,072
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross rents	6a	(i) Real	(ii) Personal		
	b Less: rental expenses	6b				
	c Rental income or (loss)	6c	0	0		
	d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other		
		7a	98,056,743	74,748,028		
	b Less: cost or other basis and sales expenses	7b	97,962,308	38,218,975		
	c Gain or (loss)	7c	94,435	36,529,053		
	d Net gain or (loss)			36,623,488		36,623,488
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18		8a			
	b Less: direct expenses	8b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities. See Part IV, line 19		9a			
	b Less: direct expenses	9b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	10a	440,882			
	b Less: cost of goods sold	10b	90,127			
	c Net income or (loss) from sales of inventory		350,755	350,755		
Miscellaneous Revenue	11a MISCELLANEOUS REVENUE		Business Code			
			900099	3,801,285	3,785,162	16,123
	b BAD DEBT RECOVERY		900099	454,590	454,590	
	c AUXILIARY REVENUE		900099	1,950	1,950	
	d All other revenue		561000	295	295	0
	e Total. Add lines 11a-11d			4,258,120		0
	12 Total revenue. See instructions		68,429,972	26,533,186	0	41,735,683

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2023

Form 990 (2023)

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Part IX Statement of Functional Expenses*Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).*Check if Schedule O contains a response or note to any line in this Part IX

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	2,418,408	2,418,408		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	50,192	50,192		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,286,661		2,286,661	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	6,867,624	6,073,032	794,592	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	83,952	83,952		
9 Other employee benefits	1,713,952	1,526,848	187,104	
10 Payroll taxes	705,378	446,400	258,978	
11 Fees for services (nonemployees):				
a Management	2,330,083		2,330,083	
b Legal	54,715		54,715	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.)	4,389,161	3,381,247	1,007,914	0
12 Advertising and promotion	259,776	42,982	216,794	
13 Office expenses	1,292,323	948,803	343,520	
14 Information technology	183,968	67,043	116,925	
15 Royalties				
16 Occupancy	1,695,007	1,182,300	512,707	
17 Travel	37,965	20,499	17,466	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	18,928	18,928		
20 Interest	17,515		17,515	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,478,872	1,278,718	200,154	
23 Insurance	106,784	46,253	58,531	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	5,174,703	5,174,703		
b OTHER EXPENSES	1,232,339	1,151,231	81,108	
c RECRUITMENT & RECOGNITION	44,900	13,270	31,630	
d DUES & SUBSCRIPTIONS	41,223	9,208	32,015	
e All other expenses	19,775	7,858	11,917	0
25 Total functional expenses. Add lines 1 through 24e	32,504,204	23,943,875	8,560,329	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

EXHIBIT B-c

2021

74-6083124

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COUNTRY MEMORIAL HOSPITAL

Jrs, Directors, Trustees, Key Employees, Highest Compensated Employees, and

Jrs

contains a response or note to any line in this Part VII

Jrs, Trustees, Key Employees, and Highest Compensated Employees

X

for all persons required to be listed. Report compensation for the calendar year ending with or within the

the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of
center-0- in columns (D), (E), and (F) if no compensation was paid.of the organization's current key employees, if any. See the instructions for definition of "key employee."
or the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee)
received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than
\$10,000 from the organization and any related organizations.s

- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/ 1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/ 1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(1) JAYNE POPE CEO	39.00 1.00			X			553,451.	NONE	24,831.
(2) CLINTON KOTAL CHIEF INTEGRATION OFFICER	15.75 24.25				X		414,239.	NONE	45,082.
(3) SUSAN NEVES CFO	39.00 1.00				X		401,367.	NONE	23,633.
(4) NIKKI RIVERS CHIEF CLINICAL OFFICER	40.00 NONE				X		283,995.	NONE	NONE
(5) MAUREEN POLIVKA CNO	40.00 NONE				X		273,917.	NONE	8,769.
(6) AMANDA STEVENS CSO/FDN EXECUTIVE DIRECTOR	20.00 20.00				X		116,719.	116,719.	38,834.
(7) JAMES PARTIN CMO	40.00 NONE				X		238,675.	NONE	NONE
(8) LE ANN MYERS DIRECTOR OF ANCILLARY SERVICES	40.00 NONE				X		215,792.	NONE	20,077.
(9) KATELYN VINKLAREK DIRECTOR POST ACUTE SERVICES	30.00 10.00				X		176,552.	NONE	40,353.
(10) RITA URBANEK DIRECTOR OF POPULATION HEALTH	35.00 5.00				X		179,421.	NONE	37,112.
(11) KEVIN SHANE DICKINSON IT DIRECTOR	25.00 15.00				X		174,344.	NONE	28,449.
(12) TIMOTHY BOYD ROBERTS FACILITY DIRECTOR	25.00 15.00				X		152,526.	NONE	29,337.
(13) PENNY MCBRIDE CHAIRMAN	0.85 1.00	X	X				NONE	NONE	NONE
(14) JENNY WIESER VICE CHAIR	0.56 1.00	X	X				NONE	NONE	NONE

Form 990 (2021)

**Directors, Trustees, Key Employees, Highest Compensated Employees,
Officers**

. contains a response or note to any line in this Part VII

Directors, Trustees, Key Employees, and Highest Compensated Employees

Use for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax

. of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's current key employees, if any. See the instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

2022

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W- 2/1099- MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099- MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations	
		Officer or Director	Individual Trustee	Institutional Trustee	Officer	Key Employee	Former			
(1) JAYNE POPE CEO	39.0 1.0			X				492,927	0	24,606
(2) CLINTON KOTAL CHIEF INTEGRATION OFFICER	15.75 21.25				X			333,673	0	48,946
(3) SUSAN NEVES CFO	39.0 1.0			X				376,955	0	50,715
(4) MAUREEN POLVKA CNO	40.0 0.0				X			279,741	0	20,236
(5) AMANDA STEVENS CHIEF STRATEGY OFFICER	20.0 20.0				X			107,675	107,675	41,309
(6) JAMES PARTIN CMO	40.0 3.0				X			234,103	0	0
(7) LEANN MYERS DIRECTOR OF ANCILLARY SERVICES	40.0 0.0				X			204,250	0	20,827
(8) KEVIN SHANE DICKINSON IT DIRECTOR	25.0 15.0				X			181,027	0	37,914
(9) KATELYN VINKLAREK DIRECTOR POST ACUTE SERVICES	20.0 20.0				X			175,503	0	42,324
(10) CHRISTINE DAMEWOOD NURSING DIRECTOR	40.0 3.0				X			166,597	0	35,796
(11) SHANNA WILLIAMS NURSING DIRECTOR	40.0 0.0				X			156,215	0	0
(12) JENNY WEISER PhD CHAIRMAN	0.65 1.0	X	X					0	0	0
(13) Penny McBride Director	0.56 1.0	X						0	0	0
(14) JOEL JUNKER SECRETARY	0.5 1.0	X	X					0	0	0

2023

Form 990 (2023)

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors Check if Schedule O contains a response or note to any line in this Part VII**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's current key employees, if any. See the Instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the Instructions for the order in which to list the persons above.

 Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/ 1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/ 1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(1) JAYNE POPE	37.0								
CEO	2.8			✓			789,810	0	29,489
(2) CLINTON KOTAL	20.8								
CHIEF INTEGRATION OFFICER	19.2				✓		417,519	0	20,578
(3) SUSAN NEVES	39.0								
CFO	1.0			✓			415,975	0	19,892
(4) AMANDA STEVENS	30.0								
CHIEF STRATEGY OFFICER	10.0				✓		181,856	91,303	33,907
(5) MAUREEN O POLIVKA	40.0								
CNO	0.0				✓		182,203	0	17,049
(6) CHRIS SEMMLER	38.0								
VP OF FINANCE	2.0			✓			180,351	0	8,830
(7) JANICE MENKING	32.0								
CONTROLLER	0.0					✓	148,981	0	12,898
(8) CHRIS SCHOESSOW	0.5								
DIRECTOR, VICE PRESIDENT	1.0	✓		✓			0	0	0
(9) JENNY WEISER, PHD	0.9								
CHAIRMAN	1.0	✓		✓			0	0	0
(10) JOEL JUNKER	0.5								
SECRETARY	1.0	✓		✓			0	0	0
(11) CARLIN FRIAR	0.5								
DIRECTOR	1.0	✓					0	0	0
(12) DALE CRENWELGE	0.5								
DIRECTOR	1.0	✓					0	0	0
(13) DAN SECHRIST	0.5								
DIRECTOR	1.0	✓					0	0	0
(14) DR. KEVIN GALLAGHER	0.5								
DIRECTOR	1.0	✓					0	0	0

2023

Schedule J, Compensation Information, states there was a change of control payment (4a) and Schedule J gives the breakdown of these payments. On this return all employees who received retention bonuses (column iii) are reflected. To see the total \$1,287,553 million dollars disbursement see the attached schedule. Amanda Stevens

Schedule J (Form 1990, 2022-23)

Page 2

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VI.

Note: The sum of columns (B)(i)-(ii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Basis of compensation	(C) Amount of compensation	(D) Nonqualified benefits	(E) Total of amounts in columns (B)-(D)	(F) Compensation as reflected on other Form 990
1. CEO	(i) <u>379,610</u> 0	<u>379,610</u> 0	<u>410,000</u> 0	<u>18,157</u> 0	<u>11,337</u> 0
2. CHIEF INTEGRATION OFFICER	(i) <u>92,519</u> 0	<u>92,519</u> 0	<u>325,000</u> 0	<u>12,280</u> 0	<u>8,378</u> 0
3. CFO	(i) <u>96,975</u> 0	<u>96,975</u> 0	<u>325,000</u> 0	<u>12,280</u> 0	<u>7,692</u> 0
4. CHIEF STRATEGY OFFICER	(i) <u>135,602</u> 0	<u>135,602</u> 0	<u>46,249</u> 0	<u>8,309</u> 0	<u>15,002</u> 0
5. CHIEF TECHNOLOGY OFFICER	(i) <u>65,077</u> 0	<u>65,077</u> 0	<u>116,125</u> 0	<u>9,353</u> 0	<u>7,691</u> 0
6. CHIEF TREASURER	(i) <u>180,557</u> 0	<u>180,557</u> 0	<u>19,793</u> 0	<u>8,850</u> 0	<u>189,180</u> 0
7. CONTROLLER	(i) <u>108,192</u> 0	<u>108,192</u> 0	<u>21,561</u> 0	<u>18,928</u> 0	<u>5,425</u> 0
8. .	(i) <u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0

Employee Retention Bonus



EXHIBIT B-d

2021

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Schedule B (Form 990) (2021)

Name of organization

HILL COUNTRY MEMORIAL HOSPITAL

Employer identification number

74-6083124

(Part I) Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	SAMUEL W. FORDYCE 300 HOT SPRINGS RD. #L223 SANTA BARBARA, CA 93108	\$ 243,334.	Person Payroll Noncash <input checked="" type="checkbox"/>
2	JULIE E. MONTGOMERY 204 W CREEK STREET FREDERICKSBURG, TX 78624	\$ 5,000.	Person Payroll Noncash <input checked="" type="checkbox"/>
3	BARBARA L. RICHARDSON PO BOX 1369 FREDERICKSBURG, TX 78624	\$ 50,000.	Person Payroll Noncash <input checked="" type="checkbox"/>
4	VICTORIA A. RUST 611 COURTNEY FREDERICKSBURG, TX 78624	\$ 7,765.	Person Payroll Noncash <input checked="" type="checkbox"/>
5	LINDA G. WHITE PO BOX 759 FREDERICKSBURG, TX 78624	\$ 33,333.	Person Payroll Noncash <input checked="" type="checkbox"/>
6	DON L. AND JULIE HOLDEN FOUNDATION, INC. PO BOX 2161 FREDERICKSBURG, TX 78624	\$ 500,000.	Person Payroll Noncash <input checked="" type="checkbox"/>

Schedule B (Form 990) (2021)

2021

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Schedule B (Form 990) (2021)

Name of organization

HILL COUNTRY MEMORIAL HOSPITAL

Employer identification number
74-6083124**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	<u>HELMS FOUNDATION, INC.</u> <u>18201 VON KARMAN AVENUE, SUITE 450</u> <u>IRVINE, CA 92612</u>	\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	<u>MOODY FOUNDATION</u> <u>2302 POST OFFICE STREET, SUITE 704</u> <u>GALVESTON, TX 77550</u>	\$ <u>13,231.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	<u>MORGAN FAMILY FUND</u> <u>851 BRUNS KOEHN RD.</u> <u>ROUND MOUNTAIN, TX 78663</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	<u>STARK MARTIN CHARITABLE TRUST</u> <u>ONE NORTH CENTRAL AVE, SUITE 1200</u> <u>PHOENIX, AZ 85004</u>	\$ <u>18,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	<u>STINSON FAMILY FOUNDATION</u> <u>315 W COLLEGE</u> <u>FREDERICKSBURG, TX 78624</u>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	<u>THE COLEMAN FAMILY FUND</u> <u>8910 PURDUE RD, STE 500</u> <u>INDIANAPOLIS, IN 46268</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Schedule B (Form 990) (2021)

2021

Page 2

Schedule B (Form 990) (2021)

Name of organization

HILL COUNTRY MEMORIAL HOSPITAL

Employer identification number

74-6083124

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	THE J.E. AND L.E. MABEE FOUNDATION, INC. CLAYDESTA CENTER, 6 DESTADRIVE, SUITE 54 MIDLAND, TX 79705	\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14	THE PERRY AND RUBY STEVENS CHARITABLE FO PO BOX 291929 KERRVILLE, TX 78029	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
15	TEXAS DEPARTMENT OF AGRICULTURE SHIP PRO 1700 N. CONGRESS, 11TH FLOOR AUSTIN, TX 78701	\$ 10,287.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
16	US DEPT OF HEALTH & HUMAN SERVICES 200 INDEPENDENCE AVE SW WASHINGTON, DC 20201	\$ 6,346,331.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
17	HILL COUNTRY MEMORIAL HOSP FOUNDATION P.O. BOX 1339 FREDERICKSBURG, TX 78624	\$ 888,927.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

EXHIBIT C

HCA HEALTHCARE, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Dollars in millions)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 935	\$ 908
Accounts receivable	9,958	8,891
Inventories	2,021	2,068
Other	2,013	1,776
	<u>(1)</u>	<u>14,927</u>
	<u>14,927</u>	<u>13,643</u>
Property and equipment, at cost:		
Land	3,120	2,799
Buildings	21,560	20,221
Equipment	31,998	29,981
Construction in progress	1,870	1,756
	<u>58,548</u>	<u>54,757</u>
Accumulated depreciation	<u>(30,833)</u>	<u>(29,182)</u>
	<u>27,715</u>	<u>25,575</u>
Investments of insurance subsidiaries	477	381
Investments in and advances to affiliates	756	823
Goodwill and other intangible assets	9,945	9,653
Right-of-use operating lease assets	2,207	2,065
Other	184	298
	<u>\$ 56,211</u>	<u>\$ 52,438</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 4,233	\$ 4,239
Accrued salaries	2,127	1,712
Other accrued expenses	3,871	3,581
Long-term debt due within one year	2,424	370
	<u>(1)</u>	<u>12,655</u>
Long-term debt, less debt issuance costs and discounts of \$333 and \$301	37,169	37,714
Professional liability risks	1,557	1,528
Right-of-use operating lease obligations	1,903	1,752
Income taxes and other liabilities	1,867	1,615
Stockholders' equity (deficit):		
Common stock \$0.01 par; authorized 1,800,000,000 shares; outstanding 265,537,300 shares — 2023 and 277,378,300 shares — 2022	3	3
Accumulated other comprehensive loss	(425)	(490)
Retained deficit	(1,352)	(2,280)
Stockholders' deficit attributable to HCA Healthcare, Inc.	(1,774)	(2,767)
Noncontrolling interests	2,834	2,694
	<u>1,060</u>	<u>(73)</u>
	<u>\$ 56,211</u>	<u>\$ 52,438</u>

① CURRENT RATIO SLIPPING
② "CONTROLLING" INTERESTS ARE REDEMPTION SHARES EACH YEAR TO CONSOLIDATE INCREASE THEIR OWNERSHIP PERCENTAGE.
NEGATIVE CAPITAL

The accompanying notes are an integral part of the consolidated financial statements.

HCA HEALTHCARE, INC.
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Dollars in millions, except per share amounts)

	<i>\$ 65 BILLION</i>	2023	2022	2021
Revenues	\$ 64,968	\$ 60,233	\$ 58,752	
Salaries and benefits	29,487	27,685	26,779	
Supplies	9,902	9,371	9,481	
Other operating expenses	12,875	11,155	9,961	
Equity in earnings of affiliates	(22)	(45)	(113)	
Depreciation and amortization	3,077	2,969	2,853	
Interest expense	1,938 ✓	1,741 ✓	1,566 ✓	
Losses (gains) on sales of facilities	5 ✓	(1,301) ✓	(1,620) ✓	
Losses on retirement of debt	—	78	12	
	(9) 57,262	51,653	48,919	
Income before income taxes	7,706	8,580	9,833	
Provision for income taxes	1,615	1,746	2,112	
Net income	(4) 9,489 6,091	11,347 6,834	13,147 7,721	
Net income attributable to noncontrolling interests	849	1,191	765	
Net income attributable to HCA Healthcare, Inc.	<u>\$ 5,242</u>	<u>\$ 5,643</u>	<u>\$ 6,956</u>	
Per share data:				
Basic earnings per share	\$ 19.25	\$ 19.43	\$ 21.52	
Diluted earnings per share	\$ 18.97	\$ 19.15	\$ 21.16	
Shares used in earnings per share calculations (in millions):				
Basic	272.404	290.348	323.315	
Diluted	276.412	294.666	328.752	

(4) PROFIT RATIO HIGH BUT SLIPPING

(3) EXPENSES \$ 57,262

$$\text{DAYS} \div \frac{365 \text{ DAYS}}{156.9 \text{ MILLION/DAY SPENT}}$$

\$ 365 CASH IN BANK

$$\div 156.9 \text{ EXPENSES/DAY}$$

5.8 DAYS OPERATING MONEY
VERY TIGHT - IF RECEIVABLES
COLLECTIONS SLOW DOWN - THEY WILL HURT.

The accompanying notes are an integral part of the consolidated financial statements.

HCA HEALTHCARE, INC.
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Dollars in millions)

CONTINUATION

	2023	2022	2021
Net income	\$ 6,091	\$ 6,834	\$ 7,721
Other comprehensive income (loss) before taxes:			
Foreign currency translation	41	(111)	(9)
Unrealized gains (losses) on available-for-sale securities	11	(55)	(16)
Losses (gains) included in other operating expenses	<u>(1)</u>	<u>1</u>	<u>—</u>
	10	(54)	(16)
Defined benefit plans	27	49	87
Pension costs included in salaries and benefits	<u>3</u>	<u>9</u>	<u>28</u>
	30	58	115
Change in fair value of derivative financial instruments	—	6	1
Interest costs included in interest expense	—	2	37
	—	8	38
Other comprehensive income (loss) before taxes	81	(99)	128
Income taxes (benefits) related to other comprehensive income items	16	(13)	30
Other comprehensive income (loss)	<u>65</u>	<u>(86)</u>	<u>98</u>
Comprehensive income	6,156	6,748	7,819
Comprehensive income attributable to noncontrolling interests	849	1,191	765
Comprehensive income attributable to HCA Healthcare, Inc.	<u><u>\$ 5,307</u></u>	<u><u>\$ 5,557</u></u>	<u><u>\$ 7,054</u></u>

*OTHER INCOME
STATEMENT INFORMATION*

The accompanying notes are an integral part of the consolidated financial statements.

HCA HEALTHCARE, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Dollars in millions, except per share amounts)

	Equity (Deficit) Attributable to HCA Healthcare, Inc.						<u>Equity</u>
	Common Stock		Capital in Excess of Par Value	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Attributable to Noncontrolling Interests	
	Shares (in millions)	Par Value					
Balances, December 31, 2020	339,426	\$ 3	\$ 294	\$ (502)	\$ 777	\$ 2,320	\$ 2,892
Comprehensive income				98	6,956	765	7,819
Repurchase of common stock	(37,812)		(578)		(7,637)		(8,215)
Share-based benefit plans	3,863		280				280
Cash dividends declared					(628)		(628)
(\$1.92 per share)						(749)	(749)
Distributions							
Other			4			86	90
Balances, December 31, 2021	305,477	3	—	(404)	(532)	2,422	1,489
Comprehensive income (loss)				(86)	5,643	1,191	6,748
Repurchase of common stock	(30,747)		(264)		(6,736)		(7,000)
Share-based benefit plans	2,648		282				282
Cash dividends declared					(655)		(655)
(\$2.24 per share)						(1,025)	(1,025)
Distributions							
Other			(18)			106	88
Balances, December 31, 2022	277,378	3	—	(490)	(2,280)	2,694	(73)
Comprehensive income				65	5,242	849	6,156
Repurchase of common stock	(14,465)		(186)		(3,656)		(3,842)
Share-based benefit plans	2,624		172				172
Cash dividends declared					(658)		(658)
(\$2.40 per share)						(640)	(640)
Distributions							
Other						(69)	(55)
Balances, December 31, 2023	265,537	\$ 3	\$ 14	\$ (425)	\$ (1,352)	\$ 2,834	\$ 1,060

The accompanying notes are an integral part of the consolidated financial statements.

HCA HEALTHCARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Dollars in millions)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:			
Net income	✓ \$ 6,091	\$ 6,834	\$ 7,721
Adjustments to reconcile net income to net cash provided by operating activities:			
Increase (decrease) in cash from operating assets and liabilities:			
Accounts receivable.....	(935)	(797)	(962)
Inventories and other assets.....	(126)	(59)	(540)
Accounts payable and accrued expenses.....	604	(296)	999
Depreciation and amortization.....	✓ 3,077	① 2,969	① 2,853
Income taxes.....	229	571	(70)
Losses (gains) on sales of facilities.....	5	(1,301)	(1,620)
Losses on retirement of debt.....	—	78	12
Amortization of debt issuance costs and discounts.....	35	29	27
Share-based compensation.....	✓ 262	341	440
Other.....	189	153	99
Net cash provided by operating activities	<u>9,431</u>	<u>8,522</u>	<u>8,959</u>
Cash flows from investing activities:			
Purchase of property and equipment.....	✓ ① (4,744)	① (4,395)	① (3,577)
Acquisition of hospitals and health care entities.....	(635)	(224)	(1,105)
Sales of hospitals and health care entities	193	1,237	2,160
Change in investments.....	(112)	14	(117)
Other.....	(19)	(21)	(4)
Net cash used in investing activities	<u>(5,317)</u>	<u>(3,389)</u>	<u>(2,643)</u>
Cash flows from financing activities:			
Issuances of long-term debt.....	✓ 3,224	② 5,997	② 4,344
Net change in revolving credit facilities	(1,020)	120	2,780
Repayment of long-term debt.....	✓ (909)	② (2,830)	② (3,869)
Distributions to noncontrolling interests	(640)	(1,025)	(749)
Payment of debt issuance costs	(31)	(53)	(38)
Payment of dividends	(661)	(653)	(624)
Repurchase of common stock.....	✓ (3,811)	(7,000)	(8,215)
Other.....	(246)	(212)	(284)
Net cash used in financing activities	<u>(4,094)</u>	<u>(5,656)</u>	<u>(6,655)</u>
Effect of exchange rate changes on cash and cash equivalents	7	(20)	(3)
Change in cash and cash equivalents	27	(543)	(342)
Cash and cash equivalents at beginning of period.....	908	1,451	1,793
Cash and cash equivalents at end of period	<u>\$ 935</u>	<u>\$ 908</u>	<u>\$ 1,451</u>
Interest payments	\$ 1,892	\$ 1,662	\$ 1,502
Income tax payments, net	\$ 1,386	\$ 1,175	\$ 2,182

① Most of purchases cash is a non-cash expense, *✓ DEPRECIATION*, ~~but cash generated~~.
 ② Borrowing more than they are paying back
 The accompanying notes are an integral part of the consolidated financial statements.

HCA HEALTHCARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 7 — ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (continued)

	2022			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities	\$ 377	\$ —	\$ 377	\$ —
Money market funds and other.....	96	96	—	—
Investments of insurance subsidiaries	473	96	377	—
Less amounts classified as current assets	(92)	(92)	—	—
	<u>\$ 381</u>	<u>\$ 4</u>	<u>\$ 377</u>	<u>\$ —</u>

The estimated fair value of our long-term debt was \$38.253 billion and \$35.555 billion at December 31, 2023 and 2022, respectively, compared to carrying amounts, gross of debt issuance costs and discounts, aggregating \$39.926 billion and \$38.385 billion, respectively. The estimates of fair value are generally based on Level 2 inputs, including quoted market prices or quoted market prices for similar issues of long-term debt with the same maturities.

NOTE 8 — LONG-TERM DEBT

A summary of long-term debt at December 31, including related interest rates at December 31, 2023, follows (dollars in millions):

	2023	2022
Senior secured asset-based revolving credit facility (effective interest rate of 6.7%)	\$ 1,880	\$ 2,900
Senior secured revolving credit facility.....	—	—
Senior secured term loan facilities (effective interest rate of 6.8%)	1,313	1,880
Other senior secured debt (effective interest rate of 4.1%)	967	953
Senior secured debt	4,160	5,733
Senior unsecured notes (effective interest rate of 5.0%)	35,766	32,652
Debt issuance costs and discounts	(333)	(301)
Total debt (average life of 9.4 years, rates averaging 5.1%)	39,593	38,084
Less amounts due within one year	2,424	370
	<u>\$ 37,169</u>	<u>\$ 37,714</u>

During 2023, the availability under our senior secured revolving credit facility was increased by \$1.500 billion to total \$3.500 billion, the senior secured term loan B facility was fully retired and certain administrative updates were made to our credit agreements. We also issued \$3.250 billion aggregate principal amount of senior notes comprised of (i) \$1.000 billion aggregate principal amount of 5.200% senior notes due 2028, (ii) \$1.250 billion aggregate principal amount of 5.500% senior notes due 2033 and (iii) \$1.000 billion aggregate principal amount of 5.900% senior notes due 2053. We used the net proceeds to repay borrowings under our asset-based revolving credit facility.

Senior Secured Credit Facilities And Other Senior Secured Debt

We have entered into the following senior secured credit facilities: (i) a \$4.500 billion asset-based revolving credit facility maturing on June 30, 2026 with a borrowing base of 85% of eligible accounts receivable, subject to customary reserves and eligibility criteria (\$1.880 billion outstanding at December 31, 2023) (the "ABL credit facility"); (ii) a \$3.500 billion senior secured revolving credit facility maturing on June 30, 2026 (none outstanding at December 31, 2023 without giving effect to certain outstanding letters of credit); and (iii) a \$1.313 billion senior secured term loan facility maturing on June 30, 2026. We refer to the facilities described under (ii) and (iii) above, collectively, as the "cash flow credit facility" and, together with the ABL credit facility, the "senior secured credit facilities." Finance leases and other secured debt totaled \$967 million at December 31, 2023.

HCA HEALTHCARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 8 — LONG-TERM DEBT (continued)

Borrowings under the senior secured credit facilities bear interest at a rate equal to, at our option, either (a) a base rate determined by reference to the higher of (1) the federal funds rate plus 0.50% or (2) the prime rate of Bank of America or (b) a reference rate (the Secured Overnight Financing Rate (SOFR)) for the relevant interest period, plus, in each case, an applicable margin. The applicable margin for borrowings under the senior secured credit facilities may be reduced subject to attaining certain leverage ratios.

The senior secured credit facilities contain a number of covenants that restrict, subject to certain exceptions, our (and some or all of our subsidiaries') ability to incur additional indebtedness, repay subordinated indebtedness, create liens on assets, sell assets, make investments, loans or advances, engage in certain transactions with affiliates, pay dividends and distributions, and enter into sale and leaseback transactions. In addition, we are required to satisfy and maintain a maximum total leverage ratio covenant under the cash flow credit facility and, in certain situations under the ABL credit facility, a minimum interest coverage ratio covenant.

Senior Unsecured Notes — THERE ARE LOAN COVENANTS ON THIS DEBT.

Senior unsecured notes consist of (i) \$35.041 billion aggregate principal amount of senior notes with maturities ranging from 2024 to 2053; (ii) an aggregate principal amount of \$125 million medium-term notes maturing 2025; and (iii) an aggregate principal amount of \$600 million debentures with maturities ranging from 2024 to 2095.

General Debt Information

The senior secured credit facilities are fully and unconditionally guaranteed by substantially all existing and future, direct and indirect, 100% owned material domestic subsidiaries that are "Unrestricted Subsidiaries" under our Indenture (the "1993 Indenture") dated December 16, 1993 (except for certain special purpose subsidiaries that only guarantee and pledge their assets under our ABL credit facility).

All obligations under the ABL credit facility, and the guarantees of those obligations, are secured, subject to permitted liens and other exceptions, by a first-priority lien on substantially all of the receivables of the borrowers and each guarantor under such ABL credit facility (the "Receivables Collateral").

All obligations under the cash flow credit facility and the guarantees of such obligations are secured, subject to permitted liens and other exceptions, by:

- a first-priority lien on the capital stock owned by HCA Inc., or by any guarantor, in each of their respective first-tier subsidiaries;
- a first-priority lien on substantially all present and future assets of HCA Inc. and of each guarantor other than (i) "Principal Properties" (as defined in the 1993 Indenture), (ii) certain other real properties and (iii) deposit accounts, other bank or securities accounts, cash, leaseholds, motor-vehicles and certain other exceptions; and
- a second-priority lien on certain of the Receivables Collateral.

 Maturities of long-term debt in years 2025 through 2028 are \$4.672 billion, \$5.350 billion, \$2.408 billion and \$2.545 billion, respectively.

NOTE 9 — LEASES

We lease property and equipment under finance and operating leases. For leases with terms greater than 12 months, we record the related assets and obligations at the present value of lease payments over the term. Many of our leases include rental escalation clauses and renewal options that are factored into our determination of lease payments, when appropriate. We do not separate lease and nonlease components of contracts. Generally, we use our estimated incremental borrowing rate to discount the lease payments, as most of our leases do not provide a readily determinable implicit interest rate.

EXHIBIT D

Medical Services Update – Dr. Robert Murray – December 1, 2024

Fredericksburg.....We are in trouble regarding medical services

It has been two years since the people of our county were told about the secret sale of our independent community hospital (Medicare 5-star rated) to a for-profit corporation Methodist Healthcare San Antonio (2-star rated) and Hospital Corporation of America(HCA) based in Tennessee. One of the many concerns townspeople have expressed with the sale is the inherent struggle between profits (or what's best for stock price) and patients (or what services are best for our community). We were told by a small group of people that our hospital had to be sold because it would be too difficult to make it as an independent hospital. Please, someone alert Sid Peterson! We were warned before the sale that when independent rural hospitals are taken over by a larger health system, they experienced a significant reduction in **onsite diagnostic imaging**, a reduction in **OB**, and **primary care**, and a reduction in **outpatient nonemergency visits**. These were the RAND Corporation findings based on 10 years worth of data and sadly, their findings have come to pass in Fredericksburg.

OB: We have gone from two obstetricians to one, and she only takes call on Mondays and has started delivering OB services in Austin. That does not bode well for the struggle to continue OB services locally.

Primary Care: Our family physician of many decades, Dr Nancy Thompson, was told by HCA that she could no longer practice in Fredericksburg at the physician group employed by HCA and my family, along with her 1,500 other patients had to find another doctor. I have the utmost confidence in Nancy and have witnessed world class care afforded to her patients. Dr Thompson's exit has resulted in a huge loss to our community. Not only was she board certified in internal medicine but pediatrics as well. Our family now sees Dr Pam Cantu, who previously practiced at Hill Country Hospital with Dr Thompson, but when HCA/Methodist presented her with a contract that was not compatible with her practice standards, she left and now works with a Sid Peterson physician group. Thanks Pam for sticking to your values for your patients.

General Surgeons: We used to have three general surgeons for many decades and now we have two practicing surgeons.

Breast Cancer Team/Equipment: Prior to the hospital sale we had a very busy breast cancer program with the commitment to help expedite the time from when a woman experiences an abnormal mammogram all the way to biopsy and surgery. The goal being to have a resolution/ diagnosis in a few days or a week. All women diagnosed with cancer were routinely presented at a monthly breast conference attended by surgeons, radiologists, oncologists, radiation oncologists, nurses, technologists and therapists. The entire breast care team met locally in Fredericksburg. We started this in the 1990's and it was truly an awesome tool and opportunity for healthcare professionals to focus on one patient at a time, deciding what's best for her. Since the sale of the hospital, the breast conference has been cancelled, and there has been a very significant decrease in breast cancer patients being evaluated in Fredericksburg. Hospital support for breast care is clearly waning. Not only has there been a loss of the breast conference, but the stereotactic biopsy machine, donated by the community, is no longer maintained so women have to go elsewhere for some of their biopsies.

Onsite Diagnostic Imaging: For 28 years our hospital was covered by two radiologists who were present at the hospital and available for consults and procedures. Now, only one radiologist shows up daily from San Antonio.

In addition to the stereotactic biopsy machine, the hospital's DEXA machine (used to diagnose osteoporosis) is also no longer maintained. The current hospital CT is over ten years old and if it is being used for special procedures, it is not immediately available to emergency department patients. The next closest CT is in Kerrville, 24 miles away. Currently, the waiting time for radiology services including MRI have been reported to be weeks and many patients have left and decided to go elsewhere for more timely and sometimes less expensive care.

Other physician services have experienced a diminished community presence including urology, ENT, and ophthalmology to name a few.

Outpatient Surgeons leaving hospital: A new independent out-patient surgery center is opening soon just around the corner from the hospital. The center will be welcomed by the community as a state of the art facility for out-patient care and physician owners decided to not partner with the hospital. Why?

Other Healthcare Services: Our community has also lost support for palliative care, hospice care, and until recently the sleep lab. We used to have two board certified hospice and palliative care physicians and now have only one.

Cardiac Cath Lab: To the hospital's credit, there has been an upgrade to the cardiac cath lab used for more routine and less complicated coronary artery procedures that do not require cardiac surgery backup.

I wonder if the small group that sold our hospital ever imagined such obvious and likely negative consequences of their actions? After all, the idea was to increase the depth and scope of services, not decrease them! So now as a community we are left with the situation where healthcare services are shrinking, doctors are not only avoiding our town but leaving it for other practice opportunities, and even local doctors are avoiding the hospital and will be moving many surgeries to the new outpatient surgery center. Noticeably, important local medical decisions are being increasingly made at the corporate level in Nashville, Tennessee with a definite for-profit bias.

As it stands, the small group who neglected to obtain input from the community before selling our community hospital to HCA/Methodist are the same ones tasked with making sure the hospital lives up to secret commitments HCA/Methodist made (Asset Purchase Agreement) in order to buy the hospital - a clear conflict of interest. After two years, where is the oversight report and how is HCA/Methodist doing regarding their promises to our community. The North Carolina Attorney General is suing HCA for failing to honor the agreements outlined in their Asset Purchase Agreement, which was not secret. The process makes one wonder if the Hill Country Memorial Hospital Board ever contacted Mission Hospital and its doctors in North Carolina as part of their due diligence in vetting our new healthcare partner, HCA/Methodist.

The question remains, how much longer will this downward slide go until HCA/Methodist finds that the situation is too difficult to make a profit and decides to close or sell the hospital? After all HCA is traded on the New York Stock Exchange and they have share holders (not patients) to satisfy.

Ernest Hemingway in the book, The Sun Also Rises, describes two ways to go bankrupt: "gradually, then suddenly". Let's pray that our local hospital challenges will be gradual enough for our community to do something about it.

EXHIBIT E

Spending - Grants & Donations

Create Healthy Management	200 W Windcrest St, Fredericksburg, TX 78624	830-997-1297	https://www.createhealthy.org/
Pres & CEO	Jayne Pope, RN, MBA, FACHE		
VP & Strategic Philanthropy	Amanda M. Stevens, MBA, FAHP, CFRE		
VP for Finance	Chris Semmler		
Director, Community Engagement	John Phelps	830-997-9807	john.phelps@createhealthy.org
Board of Directors	Jenny Weiser		
Chair	Chris Schoessow		
Vice Chair	Joel Junker		
Secretary	Dan Sechrist		
	Carlin Foor		
	Todd Willingham		
	John Ramsay, MD		
	John Hutcherson, PhD		
Investment Council:	Jody Donovan, Kyle Frey, Brad Hardin, John Hutcherson		
Impact Council:	Dr. Andrea Bray, Wanda Orie Datmier, Allen Esch, Dan Kemp, Zuleima Hernandez, Dr. John Ramsay		
Sep 2024: Notice: CH has spent \$3,437,417 in 9 months (Nov 6, 2023 to Aug 1, 2024) = \$4,503,222/Year			
Notice: Since report on Aug 23, 2024 - they report \$284K additional spending - at that rate an additional \$1,138M will be spent => \$4,573,417 for 2024			
Oct 2024: Notice: By far, the largest contributions have been made to the Bellinny Lutheran Church Preschool - Jody Donovan is on the CH Investment Council & Campaign Chair for the Preschool project			
Notice: \$10K still unaccounted for in the totals for Mental Health contributions			
Dec 3rd 2024: The total shown on the Website leaves off the Community Donations done earlier in 2024! It shows \$2,225,000 instead of \$4,475,000			
Also, \$25K was publicly expressed as donated for matching funds for the Police Fundraiser that already took place, but is not shown in the totals on the website.			
Create Healthy Website	18-Sep-24	30-Oct-24	Change since September:
Community	\$2,225,000	\$4,475,000	\$2,250,000
Sponsorships	\$79,700	\$79,700	\$0
Scholarships	\$320,300	\$320,300	\$0
Grants	\$812,417	\$1,049,741	\$227,324
Total to far	\$3,437,417	\$5,964,741	\$2,527,324
Community Donations:	https://www.createhealthy.org/sponsorships-support/		
24-Jan-24	\$250,000	Fuel to the Fire Matching Donation Campaign	https://www.createhealthy.org/sponsorships-support/scholarships/ Match up to \$25,000 in donations, from October 1 through December 31, 2023 for selected Hill Country Non-profit organizations
3-Nov-23	\$500,000	Bethany Lutheran Church - https://www.createhealthy.org/2023/11/03/press-release-create-healthy-invests-in-new-early-childhood-education/	New Preschool Facility (\$6.3M not including donated land) https://www.fredericksburgstandard.com/2024/01/24/bethany-announces-finances-new-preschool-facility/
6-Nov-23	\$500,000	Little Hearts Child Development Center - located on the property of the Hill Country Needs Council https://www.littleheartsfbg.org/	Licensed and Trauma-Informed caregivers will be able to care for up to 74 children from low-income families - https://www.createhealthy.org/2023/11/05/press-release-create-healthy-donates-to-capital-campaign-to-build-new-early-childhood-development-center/
24-Jan-24	\$75,000	The Texas Wine Auction Wellness Uncorked Program https://www.texaswinerauction.com/	cost-free health assessments targeting hospitality personnel, along with a 6-month membership to the Stevens Wellness Center
24-Jan-24	\$900,000	Hill Country United Soccer Fredericksburg Friends of the Fields	ready for use by Fall 2024, the new complex will include 13 soccer fields, a playground, a concession stand, restrooms, and a covered pavilion.
October 2024	\$1,500,000	Bethany Lutheran Church Preschool - Building - Jody Donovan	Now expected to cost \$7M, CHM has donated \$2M out of \$5.25M donated to
October 2024	\$750,000	Little Hearts Child Development Center - Lauri Jentschke	First year salaries, including director's salaries
Total Comm Donations:	\$4,475,000		
Event Sponsorships:	https://www.createhealthy.org/sponsorships-support/keventsponsorships/		
	\$17,000	FISD - Billie Boosters - https://www.billeboosters.com/	Custom game-day equipment & Sep 15 Football Game vs Wimberly HS
	\$15,000	FISD Back to School Initiative (IHS) the Eberle Education Foundation	Items for Health Science Educators
	\$15,000	Boys & Girls Club of Fredericksburg - https://www.bgcfbc.org/	\$5K for 12th Annual Golf Tournament; \$10K for "Face-to-Face" Program
	\$10,000	The Grace Center - https://thegracecenterfb.org/	Participated as a "Diamond Stud" sponsor in their 2nd annual fundraiser
	\$20,000	Hill Country Community Needs Council - https://needsCouncil.org/	Food for Kids Program for children identified as undernourished
	\$1,500	Junior Golf Foundation of Fredericksburg https://www.fbjunior.org/	a tee box supporter
	\$1,200	Harper Community Park Association - https://www.harpercommunit	Junior Bull Riding Event at the 59th Annual Frontier Days Rodeo.
Total Sponsorships:	\$79,700		
Scholarships:	https://www.createhealthy.org/sponsorships-support/scholarships/		
Council:	Eric Carter, Lester Franzen, Barbara Heinen, Shelly Jacks, Karen Ostreich		
24-Jan-24	\$50,000	Gillespie County Fair & Festivals Astro Scholarship Fund	Gillespie County students who are pursuing higher education opportunities.
24-Jan-24	\$50,000	Hill Country University Center - Central TX College & Texas Tech	Financial assistance for CTC & Texas Tech classes at HCUC
		https://www.createhealthy.org/2024/05/28/create-healthy-announces-further-investments-in-hill-country-students/	
28-May-24	\$80,200	FHS Academic Boosters	
28-May-24	\$18,000	Eburg Noon Rotary	
28-May-24	\$18,300	Harper PTO	
28-May-24	\$18,500	Mason ISD Scholarship Foundation	
28-May-24	\$17,100	Johnson City Community Education Foundation	
28-May-24	\$37,200	Llano ISD Educational Foundation	
28-May-24	\$27,000	Comfort Pass It On Scholarship Fund	
Total Scholarships:	\$320,300		
Grants:	Council:	Laura Cook (Chair), Jon Cremer, Tracey Robledo, Bonnie Stewart	Service area/County Impacted by this project/program. (Select all that apply)
Which area of our community health needs are you impacting?			
<input type="checkbox"/> Mental Health(HH) <input type="checkbox"/> Childcare/Development(CD) <input type="checkbox"/> Healthy Living(HL) <input type="checkbox"/> Health Education(HE)			<input type="checkbox"/> Gillespie <input type="checkbox"/> Blanco <input type="checkbox"/> Hays <input type="checkbox"/> Mason <input type="checkbox"/> Comal
Round 1:		https://www.createhealthy.org/2024/05/27/create-healthy-announces-first-round-of-grant-funding-for-local-organizations-supporting-health-and-wellness/	
Round 2:		https://www.createhealthy.org/2024/07/15/create-healthy-announces-few-new-grants/	
14-May-24	MH	\$45,000 Good Samaritan Center	Bilingual Counseling Service
10-Jun-24	MH	\$11,801 NAMI TX - Mental Illness	General - https://nami-tx.org/
10-Jun-24	MH	\$150,000 TX Wine Auction - "Wellness Uncorked Program"	Employee - free counseling, educational seminars, and health fairs.
1-Aug-24	MH	\$64,000 Caritas Family Assistance Network	Supports FISD Students and Families
1-Aug-24	MH	\$80,000 Grace Center	Supports Youth Mental Health
October 2024	MH	\$5,000	trauma-informed support for victims of sexual exploitation
SubTotal:	MH	\$175,801	NO1st CH Website says it adds to \$162,801 (114,310,000 mifsc.org)
10-Jun-24	CD	\$90,000 Little Hearts Child Development Center - families in trauma	Support Operations - Opens Fall 2025 https://www.littleheartsfbg.org/
1-Aug-24	CD	\$100,000 Bethany Lutheran Church Preschool	Support Preschool Expansion
October 2024	CD	\$129,324 First United Methodist Church Mason	Steady Steps Daycare - https://lurmcmason.org/steady-steps-daycare
October 2024	CD	\$33,000 Hill Country Community Needs Program	Food for Kids & Mental Health Program
October 2024	CD	\$50,000 Boys & Girls Clubs of the Texas Hill Country	
SubTotal:	CD	\$402,324	
13-May-24	HL	\$55,000 FISD	Licensed Vocational Nurse - 2024-2025
14-May-24	HL	\$45,000 Good Samaritan Center	Specialty Care Services - Labs/Imaging
14-May-24	HL	\$26,610 FISD - Education Fund	Stonewall Playground Equipment
10-Jun-24	HL	\$30,000 Boys & Girls Club of Highland Lakes	Llano Club Summer Program
11-Jun-24	HL	\$75,000 St. Mary's Catholic School	Playground Improvements
1-Aug-24	HL	\$20,000 Comfort Golden Age Center Foundation	Operations
October 2024	CD	\$150,000 San Antonio Food Bank	"pop-up" food markets in Mason County and Comfort
October 2024	CD	\$10,000 Texas Ramp Project	Ramps for lower income and older adults https://texastrampproject.org/
SubTotal:	HL	\$311,618	
Total Grants:		\$1,059,741	Note Create healthy Website shows a total of \$1,079,741
Total Adj:		\$5,964,741	

EXHIBIT F

Estate of: HANNELORE V. SCHWINDT

EXHIBIT F

Decedent's Social Security Number
075-32-8537

SCHEDULE O - Charitable, Public, and Similar Gifts and Bequests

Item number	Name and address of beneficiary	Character of institution	Amount
1	HILL COUNTRY MEMORIAL HOSPITAL FOUNDATION, INC FREDERICKSBURG, TX 78624		
2	TEXAS HILL COUNTRY UNIVERSITY CENTER FOUNDATION FREDERICKSBURG, TX 78624		6,505,253.
3	ROCK FORD INSTITUTE 928 NORTH MAIN ROCKFORD, ILLINOIS 61103		6,505,253.
4	HILLSDALE COLLEGE HILLSDALE, MICHIGAN 49242		6,505,253.

EXHIBIT G

CJB/cyh/Will

EXHIBIT G

✓ (a) One (1) share to the HILL COUNTRY MEMORIAL HOSPITAL FOUNDATION, INC. of Fredericksburg, Texas with the corpus of this devise to be held, maintained and administered as a perpetual fund and the income generated therefrom to be used exclusively for expenditures of a capital nature benefiting HILL COUNTRY MEMORIAL HOSPITAL or for the purchase of equipment of the hospital but shall not be expended for operating purposes.

(b) One (1) share to the TEXAS HILL COUNTRY UNIVERSITY CENTER FOUNDATION of Fredericksburg, Texas.

(c) One (1) share to the ROCKFORD INSTITUTE, 928 North Main, Rockford, Illinois 61103

(d) One (1) share to the HILLSDALE COLLEGE, Hillsdale, Michigan, 49242.

3.2 Tax Exempt Charities. If any recipient of a bequest under paragraph 3.1 of my Will is not an organization which may receive testamentary gifts which are deductible for federal estate tax purposes under Section 2055 of the Internal Revenue Code of 1986, as amended or under corresponding provisions of subsequently enacted federal estate tax laws, the bequest to that organization shall lapse. I give, devise and bequeath to those beneficiaries under paragraph 3.1 that are bequeathed a portion of my residual estate and which are organizations which may receive testamentary gifts which are deductible for federal estate tax purposes under Section 2055 of the Internal Revenue Code of 1986, as amended or under corresponding provisions of subsequently enacted federal estate tax laws, any bequest which has lapsed because the designated organization is not a qualifying tax exempt organization as defined above. This

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